



NEWS RELEASE

PRESS OFFICE

Release Date: November 23, 1999 **SBA Contact:** D.J. Caulfield (202) 205-6740

Release Number: 99-96

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THOUSANDS OF DISADVANTAGED FIRMS TO BENEFIT FROM NEW CERTIFICATION PACT BETWEEN SBA AND DOT

WASHINGTON -- U.S. Small Business Administration (SBA) Administrator Aida Alvarez and U.S. Department of Transportation (DOT) Secretary Rodney E. Slater today signed an agreement that will help small socially and economically disadvantaged firms that want to do business with the government -- by streamlining the certification for disadvantaged businesses.

The move will make it easier for thousands of firms to gain access to the multibillion-dollar marketplace linked to two distinct groups of contracts -- those offered by the federal government and those available on many federally-funded state and local transportation projects.

"Small business owners want to spend less time filling out government forms and more time working on contracts," said Administrator Alvarez. "Today's agreement recognizes this and opens even wider the doors of opportunity for small disadvantaged firms in the \$200 billion-per-year federal marketplace, as well as opportunities with state and local transportation projects."

"This initiative fulfills two important priorities set out by President Clinton and Vice President Gore: improving opportunities for small and disadvantaged businesses, and removing unnecessary government burdens on the private sector," Secretary Slater said. "From this day forward, it will be easier than ever for eligible firms to participate in the government's programs for disadvantaged businesses."

This agreement allows most small businesses that have qualified for disadvantaged status through one agency's certification process to qualify for the other's without going through another round of extensive paperwork and examination. In most cases, all that will be required will be a brief supplemental statement confirming the eligibility requirements.

This agreement will pave the way for a uniform federal application for securing disadvantaged status, which will eliminate the need for any supplemental paperwork.

Nearly 8,000 small firms are currently certified by the SBA as Small Disadvantaged Businesses (SDBs), while approximately 50,000 small socially and economically disadvantaged firms have secured DOT's Disadvantaged Business Enterprise (DBE) certification from DOT-assisted state and local transportation agencies. Until now, these two certification systems operated totally independent from one another.

In fiscal year 1998, the federal government provided small disadvantaged businesses with more than \$11 billion in contracting opportunities. This total includes contracts obtained by disadvantaged firms in the SBA's 8(a) Business Development Program, which is also covered by this agreement.

Congress reauthorized the DOT DBE program in last year's Transportation Equity Act for the 21st century. Participants in DOT's DBE program qualify for contracting opportunities offered through transportation projects developed with some degree of federal financing. These include undertakings by state and local highway, transit, airport and port authorities with an average estimated value of \$3 billion per year being awarded to certified DBEs nationwide.

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